

## Message Text

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ACTION TRSE-00

INFO OCT-01 EA-07 ISO-00 NEA-10 PA-01 PRS-01 IO-13

L-03 H-01 AID-05 CIAE-00 COME-00 EB-07 FRB-03

INR-07 NSAE-00 USIA-06 XMB-02 OPIC-03 SP-02

LAB-04 EPG-02 SIL-01 OMB-01 NSC-05 SS-15 STR-04

CEA-01 /105 W

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P R 120540Z JUL 77

FM AMEMBASSY MANILA

TO SECSTATE WASHDC PRIORITY 2193

INFO AMEMBASSY PORT MORESBY

AMEMBASSY SUVA

AMEMBASSY WELLINGTON

AMEMBASSY CANBERRA

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USADB FOR NAC AGENCIES

E.O. 11652: ADS, DECLAS 10/12/77

TAGS: EID, EFIN

SUBJ: ADB TECHNICAL ASSISTANCE FOR ADB-PNGDB-FDB PROGRAM ON DEVELOPMENT BANKING FOR SOUTH PACIFIC REGION(FIFTH ADB REGIONAL TRAINING PROGRAM)

SUMMARY: ADB MANAGEMENT PROPOSES \$114,500 TECHNICAL ASSISTANCE (TA) GRANT TO FINANCE TRAINING PROGRAM FOR PERSONNEL OF DFIS OF SOUTH PACIFIC REGION, AND GOVT DEPARTMENTS/AGENCIES COOPERATING WITH DFIS, TO BE HELD IN COLLABORATION WITH DEVELOPMENT BANKS OF PAPUA NEW GUINEA AND FIJI IN THOSE TWO COUNTRIES DURING SEPT-OCT 1977. USADB RECOMMENDS FAVORABLE NAC ACTION. END SUMMARY.

1. ADB DOC. R70-77 DESCRIBING PROPOSED TECHNICAL ASSISTANCE (TA) GRANT POUCHED ADDRESSEES JULY 12. BOARD CONSIDERATION SCHEDULED JULY 28.

2. BANK'S TRAINING ASSISTANCE UNIT (TAU) HAS THUS FAR  
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ORGANIZED FOUR REGIONAL TRAINING PROGRAMS ON DEVELOPMENT BANKING FOR PROFESSIONAL STAFFS OF BANK'S DMC. WHILE FILLING TRAINING GAP FOR ASIAN DFIS, PROGRAMS WERE FELT NOT QUITE TO MEET TRAINING REQUIREMENTS OF INSTITUTIONS OF SOUTH PACIFIC REGION, CONSIDERING DIFFERENCES IN SIZE AND OPERATIONS OF THESE INSTITUTIONS, ECONOMIC SETTINGS IN WHICH THEY OPERATE, AND EDUCATIONAL AND WORK BACK-

GROUND OF STAFFS AS COMPARED TO THOSE OF DFIS IN ASIA. RECENT ASSESSMENT BY BANK STAFF HAS CONFIRMED THIS VIEW, AND INSTITUTIONS THEMSELVES HAVE INDICATED DESIRE FOR PROGRAM WHICH CATERS TO THEIR NEEDS. RESULT IS PROPOSAL FOR PROGRAM TO BE HELD IN COLLABORATION WITH PAPUA NEW GUINEA DEVELOPMENT BANK (PNGDB) AND FIJI DEVELOPMENT BANK (FDB) TO BE CALLED, "ADB-PNGDB-FDB PROGRAM ON DEVELOPMENT BANKING FOR THE SOUTH PACIFIC REGION," (FIFTH ADB REGIONAL TRAINING PROGRAM), TO BE HELD IN PAPUA NEW GUINEA (PORT MORESBY AND GOROKA) AND FIJI (SUVA) FROM 21 SEPT TO 29 OCT 1977.

3. PRIMARY OBJECTIVE OF PROGRAM WILL BE TO STRENGTHEN TECHNICAL SKILLS OF PROFESSIONAL STAFF OF DFIS AND GOVT BODIES DIRECTLY OR INDIRECTLY ENGAGED IN FINANCING OF SMALL PROJECTS IN AGRICULTURAL AND INDUSTRIAL FIELD. IT WILL COVER ASPECTS OF IDENTIFICATION AND PROMOTION, APPRAISAL, FINANCING, IMPLEMENTATION AND FOLLOW-UP OF SUCH PROJECTS. LECTURE AND DISCUSSION SESSIONS WILL BE SUPPLEMENTED BY FIELD VISITS TO PROJECT SITES (FARMS AND MANUFACTURING PLANTS) IN GROUPS OF FIVE TO SIX, EACH GROUP TO BE RESPONSIBLE FOR FINAL APPRAISAL REPORTS. MAJORITY OF FACULTY WILL BE DRAWN FROM SENIOR STAFF OF COLLABORATING INSTITUTIONS, BUT WILL INCLUDE SERVICES OF TRAINING EXPERT PRESENTLY ATTACHED UNDER BANK'S TA TO DEVELOPMENT BANK OF WESTERN SAMOA (TA NO. 185-SAM), LIMITED OFFICIAL USE

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VARIOUS GUEST LECTURERS EITHER FROM OR PRESENTLY ATTACHED TO SOUTH PACIFIC AREA, AND TUTORS DRAWN FROM SENIOR STAFFS OF PNGDB AND FDB, SUPPORTED TO EXTENT POSSIBLE BY BANK STAFF FROM TAU. PARTICIPANTS WOULD COMPRISE 24 PERSONS FROM ESTABLISHED AND EMERGING DFIS AND GOVT DEPARTMENTS/AGENCIES COOPERATING WITH DFIS IN PROJECT IDENTIFICATION AND SUPERVISION, IN SEVEN SOUTH PACIFIC DMCS (COOK ISLANDS, FIJI, GILBERT ISLANDS, PAPUA NEW GUINEA, TONGA, SOLOMON ISLANDS, WESTERN SAMOA).

4. PNGDB AND FDB, PROGRAM COLLABORATORS, ARE TWO MOST MATURE DFIS IN SOUTH PACIFIC. BOTH HAVE BEEN IN EXISTENCE ALMOST 10 YEARS AND HAVE DEVELOPED OPERATIONAL SKILLS WHICH SUIT PARTICULAR FINANCING NEEDS OF THEIR COUNTRIES. PNGDB, PRIMARILY AN AGRICULTURAL LENDER, HAS ALREADY COOPERATED IN TRAINING STAFF FROM SEVERAL DEVELOPED COUNTRIES BOTH WITHIN AND OUTSIDE OF BANK'S REGION. FDB WILL COMPLEMENT PNGDB'S AGRICULTURAL EXPERTISE THROUGH ITS EXPERIENCE IN IDENTIFICATION, PROMOTION AND APPRAISAL OF SMALL INDUSTRIAL PROJECTS. IT HAS FAIRLY SIZEABLE, DIVERSIFIED PORTFOLIO AND CAPABLE STAFF DEALING WITH THESE PROGRAMS. GIVEN THE DIVISION OF EXPERTISE

BETWEEN THESE TWO INSTITUTIONS, IT IS PROPOSED TO DIVIDE PROGRAM INTO TWO SEGMENTS: FIRST FOUR WEEKS IN PNGDB WITH BASIC AND AGRICULTURAL TRAINING; FOLLOWING THREE WEEKS AT FDB ON DEVELOPMENT OF SMALL INDUSTRIES. BESIDES BEING ASSOCIATED WITH PROGRAM AS TECHNICAL COLLABORATORS, PNGDB AND FDB WOULD SERVE AS EXECUTING AGENCIES IN THEIR RESPECTIVE LOCATIONS.

5. COST OF PROGRAM, TO BE FINANCED BY BANK IS ESTIMATED AT \$114,500, INCLUDING CONTINGENCY OF ABOUT 12 PERCENT. BUDGET FOR PREVIOUS FOUR PROGRAMS HAS BEEN, IN ORDER SINCE 1973: \$70,000 FOR MANILA PROGRAM (20 PARTICIPANTS); \$84,500 FOR BOMBAY (24); \$94,950 FOR KARACHI (26); AND \$114,000 FOR SEOUL (25). HIGHER COST OF THIS PROGRAM LIMITED OFFICIAL USE

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RELATIVE TO OTHERS REFLECTS PROGRAM'S LONGER DURATION (SEVEN WEEKS INSTEAD OF USUAL SIX), HIGHER TRAVEL COSTS REFLECTING PROGRAM'S TWO VENUES, OVERALL PRICE INCREASES AND SOUTH PACIFIC CONDITIONS. GIVEN THESE FACTORS, PROGRAM COSTS ARE BELIEVED REASONABLE.

6. PROPOSED PROGRAM WILL ENHANCE FUNCTIONING OF DFIS AND GOVT DEPT/AGENCIES INVOLVED IN DEVELOPING SMALL LOCAL ENTERPRISES IN AGRICULTURE AND INDUSTRY BY UPGRADING PROFESSIONAL STAFF. IT IS EXPECTED, MOREOVER, TO FOSTER CLOSER COOPERATION AMONG THESE BODIES, AND TO SERVE AS INSTRUMENT OF REGIONAL COOPERATION. USADB SUPPORTS PROPOSED TA GRANT AND RECOMMENDS FAVORABLE NAC ACTION. STULL

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## Message Attributes

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